



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 7, 2005

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department
Engineering Division, Public Works Department

SUBJECT: ARROYO BURRO ESTUARY RESTORATION PROJECT
CONSTRUCTION BIDS AND FUNDING

RECOMMENDATION:

That Council reject all bids for the construction of the Arroyo Burro Estuary Restoration Project, Bid No. 3399A and Bid No. 3439.

DISCUSSION:

Project Description

The Arroyo Burro Estuary Restoration Project will improve 1.2 acres of coastal estuarine, riparian, oak woodland and coastal sage scrub habitats. The following is a list of the major components of the project:

- Remove a 300-foot concrete culvert on Mesa Creek.
- Construct 300 feet of new open creek channel on Mesa Creek.
- Stabilize the new creek banks using biotechnical bank stabilization methods.
- Expand coastal estuarine habitat by 6,000 square feet.
- Remove exotic plants within the estuary and Mesa Creek corridor.
- Revegetate the site with over 5,000 native plants/trees.
- Modify an existing riprap grade control structure to enhance fish passage.
- Construct trails and install a footbridge over the new channel on Mesa Creek.

Project Construction Bids

Construction of the project was scheduled to begin in early July 2005 and to be completed by December 2005. A request for construction bids (both Civil and Landscape) was advertised on April 2, 2005. Nine civil contractors and 11 landscape contractors attended a mandatory pre-bid walk on April 15, 2005. On April 27, 2005, when the bids were due,

REVIEWED BY: _____ Finance _____ Attorney

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the City received two bids for the Landscape Contract and the low bid was within the estimated price range. No bids were received for the Civil Contract.

Since it is highly unusual not to receive at least one bid for a construction project, Staff contacted the civil contractors that attended the pre-bid walk. The contractors indicated they were too busy to submit bids or perform the work this summer due to storm damage projects and other project delays resulting from last winter's exceptionally high rainfall.

In an attempt to get the project constructed this year, the Civil bid request was reissued. The bid request was reissued for 10 days. Four bids were received on May 9, 2005 ranging as follows:

1. Elevation General Engineering Inc. Santa Maria, CA	\$708,725
2. Union Engineering Co. Ventura, CA	\$716,285
3. Lash Construction, Inc. Santa Barbara, CA	\$876,530
4. Schock Contracting Co. Santa Barbara, CA	\$953,690

The low bid was 75% higher than the construction estimate and the high bid was 135% higher.

Given the high bids, the contractors were contacted again. The contractors provided a number of responses. Some thought the bids were competitive and reflected the true costs of constructing the project while others thought that the numbers were higher than usual because most contractors are busy, and do not really need the additional work. All the contractors agreed that changes to the construction specifications could likely result in project efficiencies and cost savings.

Staff believes that due to the lack of response from the first bid, and the very high cost proposals received during the second bid, most contractors are very busy and therefore have less incentive to bid competitively. Staff also reviewed the project cost estimate with URS and Penfield and Smith, the engineering and design consultants, and determined that it was not too low. As a result, it is anticipated that delaying construction may provide a more competitive bidding climate.

If the project were to proceed this summer, the total estimated cost to construct the project would be \$1,312,077. This cost includes the low bids for the Civil Contract and Landscape

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Contract, as well as the costs for engineering consultants, and Public Works Engineering and Creeks Division project management.

If project construction is delayed, the project would not move forward until Spring 2006. Due to environmental and permitting limitations and wet weather erosion concerns, project construction is limited to July through November. Because five months are needed for construction, re-bidding in late summer is not a feasible option even if there are more favorable economic conditions.

The Creeks Division and Public Works Engineering are recommending that Council reject all bids. In the interim, cost-reducing project construction modifications will be explored, and the project will go out to bid again in early 2006 when a more competitive bidding environment may exist.

On May 18, 2005, the Creeks Advisory Committee (CAC) discussed the construction bids and funding for the project. The CAC concurred with the recommendation to reject the bids and delay construction until next year.

BUDGET/FINANCIAL INFORMATION:

Project funding issues play a significant role in the recommendation to reject all bids. Although to date, project design and permitting has been largely funded through a grant from the State Coastal Conservancy, there are limited grant funds for project construction. These grant funds include \$12,930 from the County of Santa Barbara Coastal Resource Enhancement Fund (CREF) and \$25,000 from the United States Fish and Wildlife Service (USFWS) under the Partners for Fish and Wildlife Program. As a result, approximately \$962,597 in Measure B reserves would be needed to build the project this summer. The reserve funds would supplement the \$274,550 in Creek Division capital funds and \$37,000 of operating funds that are already appropriated in the Fiscal Year 2005 budget. The table below outlines current funding sources and amounts for all phases of the project.

Project Item	State Coastal Conser-vancy	Santa Barbara County CREF	U.S. Fish and Wildlife	Measure B Funds FY2005 Budget	Measure B Reserves Needed	Total
Project Design, Permitting, Native Plants, Bridge	\$391,275	0	0	\$38,578	0	\$429,853
Project Construction	0	\$12,930	\$25,000	\$311,550	\$962,597	\$1,312,077
Total	\$391,275	\$12,930	\$25,000	\$350,128	\$962,597	\$1,741,930

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If project construction is delayed, it may be possible to acquire additional grant funds for the project. The Creeks Division has two pending proposals that, if awarded, would provide \$321,500 for project construction. These funds include \$121,500 in Federal funds through an appropriation request to United States Congresswoman Lois Capps, and a \$200,000 grant from the California Department of Parks and Recreation Habitat Conservation Fund (HCF). It is anticipated that the Federal funds will be received in the next 6 months. Notification of the HCF grant awards is expected in late summer. If both the Federal funds and HCF grant are received, the funds will be available for use next summer. Delaying construction until next summer will not jeopardize the grant funds available for the project from the Santa Barbara County CREF Program or the USFWS Partners for Fish and Wildlife Program.

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SUBMITTED BY: Anthony J. Nisich, Public Works Director
Nancy L. Rapp, Acting Parks and Recreation Director

APPROVED BY: City Administrator's Office